

Message Text

SECRET

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----- 127098

O 262150Z APR 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 7517

S E C R E T SECTION 1 OF 2 PANAMA 2886

STADIS//////////

EXDIS

FOR AMBASSAODR BUNKER AND MINISTER BELL

PASS TO GENERAL DOLVIN

EO 11652: GDS

TAGS: PFOR, PQ

SUBJECT: CANAL TREATY NEGOTIATIONS: PANAMANIAN COMMENTS ON LANDS AND WATERS

1. FOLLOWING DISCUSSIONS WITH THE HIGH-LEVEL TREATY POLICY GROUP CONCERNING THE IDEAS ON LANDS AND WATERS PRESENTED EARLIER IN MONTH BY THE U.S. LANDS AND WATERS SUBGROUP, EDWIN FABREGA AND CARLOS LOPEZ GUEVARA REQUESTED MEETING WITH BLACKEN ON APRIL 22 TO GIVE THE RESPONSE OF THE TREATY POLICY GROUP. FABREGA OPENED THE MEETING WITH THE COMMENT THAT THE PANAMANIAN RESPONSE, JUST AS HAD BEEN THE US PROPOSALS, WAS INFORMAL AND HAD NO "OFFICIAL STANDING." LOPEZ GUEVARA SAID, HOWEVER, THAT PRESIDENT LAKAS HAD REVIEWED AND GIVEN APPROVAL TO THE PANAMANIAN RESPONSE. WE HAD BEEN PRIVATELY INFORMED EARLIER THAT GENERAL TORRIJOS HAD BEEN BRIEFED ON THE US PROPOSALS AND HAD INSTRUCTED HIS TEAM TO RESPOND EVEN THOUGH THE US PROPOSAL WAS A TENTATIVE ONE. THE "INFORMAL" PANAMANIAN COMMENTS ON THE US PROPOSALS FOLLOW:

2. BEGIN QUOTE WE CONSIDER THAT THE EXPLORATORY PRO-
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POSAL OF GENERAL DOLVIN REVEALS A SERIOUS EFFORT BY

THE US TEAM TO DRAW NEARER TO THE PANAMANIAN POSITION AND PROGRESS IN THE SUBJECT OF LANDS AND WATERS. LARGE AREAS OF DISAGREEMENT STILL REMAIN WHICH WE ARE CONFIDENT CAN BE ELIMINATED IN THE NEXT ROUND OF NEGOTIATIONS.

3. QUOTE THE PROPOSAL CONCERNING THE PORT OF BALBOA HAS ENCOUNTERED GREAT RESISTANCE IN PANAMA. PANAMA NEEDS PORTS AT BOTH ENTRANCES OF THE CANAL. THE OPERATION OF THE PORT OF BALBOA, THE SAME AS THAT OF CRISTOBAL, SHOULD EFFECTIVELY BE IN HANDS OF THE REPUBLIC OF PANAMA. IN ORDER THAT THE TRANSIT OF THE CANAL DOES NOT HAVE INTERRUPTIONS, A FORMULA CAN BE DEVELOPED BY MEANS OF WHICH THE PORT ACTIVITY ITSELF IS CONTROLLED BY PANAMA; BUT THAT THE ENTITY WILL PROGRAM THE ENTRY OF THE SHIPS TO THE PORT AND THEIR EXIT TO THE CANAL CHANNEL. IN THIS MANNER THE PANAMANIAN PORT AUTHORITY WOULD COORDINATE THE MOVEMENT OF SHIPS WITH THE ENTITY.

4. QUOTE CONCERNING THE PROPOSAL TO RAISE SURFACE LEVELS OF GATUN AND MADDEN LAKES, PANAMA MUST LOOK WITH CARE HOW THE SETTLEMENTS NEARBY SAID LAKES WOULD BE AFFECTED AND HAVE CERTAINTY OF ALL DAMAGE THAT IT CAUSES WOULD BE INDEMNIFIED BY THE US.

5. QUOTE THE PROPOSAL OF GENERAL DOLVIN IS NEGOTIATABLE IF IT IS ACCOMPANIED BY AN AGREEMENT CONCERNING DURATION, AND IF, IN ADDITION, IT SIGNIFIES THAT THE AREA THAT PANAMA COMMITS FOR THE PURPOSES OF THE OPERATION, MAINTENANCE AND PROTECTION OF THE CANAL DO NOT EXCEED 25 PERCENT OF THE PRESENT CANAL ZONE, PROVIDED THAT A PROGRESSIVE PLAN IS AGREED UPON FOR THE RETURN TO PANAMA OF THE USE OF CERTAIN AREAS, THE TERMINATION OF WHICH IS A PERIOD NOT GREATER THAN 10 YEARS, THE AREA COMMITTED BY PANAMA FOR THE PURPOSES EXPRESSED WILL BE EQUAL TO THE PANAMANIAN PROPOSAL OF 1975.

6. QUOTE ANY PROPOSAL WHICH PERMITS THE US OR THE
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ENTITY TO TAKE UNILATERAL DECISIONS CONCERNING THE USE OF LANDS AND WATERS OUTSIDE OF THE AREA TO BE AGREED UPON IN THE TREATY WHICH PANAMA WILL COMMIT FOR THE PURPOSES OF OPERATION, MAINTENANCE AND PROTECTION OF THE CANAL IS UNACCEPTABLE, ALTHOUGH THEY MAY BE AREAS THAT TODAY FORM PART OF THE CANAL ZONE AND WHOSE USE WILL RETURN TO PANAMA ACCORDING TO THE NEW TREATY. AS THE CANAL WILL REVERT TO PANAMA,

AND OUR COUNTRY DESIRES TO GUARANTEE THE CONTINUED
EFFICIENT FUNCTIONING OF THE CANAL, WE ARE OPEN TO PAY
ATTENTION TO THE TECHNICAL REASONS THAT THE ENTITY
JUSTIFIES FOR THE UTILIZATION OF AREAS ADDITIONAL TO
THOSE ALREADY COMMITTED TO ASSURE THE GOOD FUNCTIONING
OF THE CANAL. THESE SAME REASONS SHALL BE TREATED
WITH PRIORITY IN THE MEASURE THAT PANAMA PARTICIPATES
IN ALL LEVELS OF THE ADMINISTRATION OF THE CANAL.
PANAMA WILL RESOLVE UNILATERALLY EACH REQUEST ACCORD-
ING TO ITS MERITS, BUT THE SOLUTION THAT IS GIVEN,
IN SOME WAY WILL SIGNIFY THAT THE AREA UNDER CONTROL
OF THE ENTITY WILL BE EXTENDED.

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ACTION SS-25

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 7518

S E C R E T SECTION 2 OF 2 PANAMA 2886

STADIS//////////

EXDIS

FOR AMBASSADOR BUNKER AND MINISTER BELL

PASS TO GENERAL DOLVIN

7. QUOTE PANAMA PROPOSES THAT IN ONE OF THE TREATY
ANNEXES THERE BE ESTABLISHED A MECHANISM WITH AU-
THORITY FOR ZONING THE RATIONAL USE OF THE LANDS IN
THE AREA UNDER CONTROL OF THE ENTITY. PANAMA ALREADY
HAS INITIATED ACTIVITIES FOR THE PLANNING OF THE USE
OF THE LANDS IN THE WATERSHED OF THE CANAL.

8. QUOTE IT IS NECESSARY TO CLARIFY THE LOCATION
AND EXTENSION OF LANDS WHOSE USE THE US DESIRES THAT
PANAMA RESTRICT BETWEEN GAMBOA AND MADDEN DAM AND

BETWEEN GATUN AND GAMBOA.

9. QUOTE PANAMA CONSIDERS THAT THE AREA OF MILITARY COORDINATION IN EMPIRE RANGE AND THAT CONTIGUOUS TO CLAYTON ARE EXCESSIVELY EXTENSIVE, AND IT IS NECESSARY TO REDUCE THEM. IN ADDITION, A PROGRAM TO GRADUALLY REDUCE THESE AREAS DURING THE LIFETIME OF THE TREATY CAN BE AGREED UPON.

10. QUOTE PANAMA CONSIDERS IT IMPORTANT TO STUDY WITH PRIORITY AND GREAT DETAIL THE AREA OF ANCON HILL, INCLUDING THE AREA WHERE THE HOTEL TIVOLI WAS LOCATED
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TO ASSURE THAT ALL OF THE FRONT OF THE AVENUE OF MARTYRS REVERTS TO PANAMA UPON ENTRY INTO FORCE OF THE TREATY, IN ORDER THAT IN THIS WAY, A GOOD INITIAL IMPACT OF SAID TREATY IS ACHIEVED. END QUOTE.

11. COMMENT: THE PANAMANIAN "INFORMAL" RESPONSE GIVEN ABOVE IS SOMEWHAT HARDER IN SUBSTANCE AND IN TONE THAN WERE COMMENTS BY MESSRS. LOPEZ GUEVARA, OMAR JAEN AND FLAVIO BELASQUEZ DURING EARLY MEETINGS, ALTHOUGH THEY ALSO REACTED STRONGLY AGAINST OUR PROPOSAL FOR PORT OF BALBOA, AND THEY RAISED OBJECTIONS OVER THE PROPOSAL THAT THE CANAL ENTITY WOULD EXERCISE CONTROL OVER STRIPS OF LAND FOUR KILOMETERS WIDE ON EACH SIDE OF THE CANAL BETWEEN GATUN AND GAMBOA.

12. THE POLITICAL SIGNIFICANCE TO PANAMA OF ANCON HILL AND OF HAVING A BUFFER ZONE RUNNING AT THE FOOT OF THE HILL ALONG FOURTH OF JULY AVENUE IS REFLECTED IN THE RESPONSE DESCRIBED IN THIS CABLE. LABOR MINISTER AHUMADA (A MEMBER OF THE HIGH-LEVEL POLICY GROUP) STRESSED, DURING HIS TALK WITH POL COJNSELOR AND CONGRESSMAN PAUL SIMON LAST WEEK THE SYMBOLIC IMPORTANCE OF ANCON HILL, AND SAID THAT FOR THE COMMON MAN ANCON HILL WAS THE PRIME SYMBOL OF THE "COLONIAL ENCLAVE", AND NO MATTER HOW EXTENSIVE AND VALUABLE WERE OTHER LANDS RETURNED TO PANAMA, IF ANCON HILL WERE NOT MADE TO APPEAR "PANAMANIAN" THE TREATY WOULD BE REJECTED BY THE PEOPLE IN THE PLEBISCITE.

13. THERE IS LITTLE QUESTION THAT THE IDEAS WE HAVE PRESENTED COULD FORM THE BASIS FOR AGREEMENT ON LANDS AND WATERS. SOME FORMULA WILL NEED TO BE WORKED OUT ON BALBOA PORT, GATUN-GAMBOA AREA, AND ANCON HILL. ALSO IN THEIR RESPONSE THE PANAMANIAN HAVE SPECIFICALLY LINKED DURATION TO THE LANDS AND

WATERS QUESTION, BUT THIS TOO IS NOT NEW. END COMMENT.

JORDEN

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